
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for local authorities' financial arrangements in relation to the funding of maintained schools and providers of funded early years provision in England, for the financial year 2024-2025. They also contain minor amendments to the Childcare (Provision of Information About Young Children) Regulations 2009 (S.I. 2009/1554).

The School and Early Years Finance (England) Regulations 2022 (S.I. 2022/27) are revoked on 1st April 2024. The School and Early Years Finance (England) Regulations 2023 (S.I. 2023/59) remain in force.

Part 2 defines the non-schools education budget (regulation 4 and Schedule 1), the schools budget (regulation 6 and Schedule 2), central expenditure and the individual schools budget (regulation 8 and Schedule 2). It requires local authorities to determine budget shares for schools maintained by them and amounts to be allocated in respect of early years provision in their areas, in accordance with the appropriate formulae (regulations 10 and 11).

Chapter 1 of Part 2 deals with the determination of budget shares for schools. Regulations 13 and 15 to 23 make provision for specific factors that the local authority must include in their local funding formulae for certain schools. The allowable ranges for these amounts or sums are set in relation to the distance between their respective value in the national funding formula, and for all mandatory factors other than the split site factor, the value in the local authority's funding formula in the previous funding period (financial year 2023 – 2024). Regulation 24 specifies additional criteria which may, or must, be taken into account in setting budgets for certain schools. The Regulations also impose a minimum per pupil amount (regulation 26) and a minimum funding guarantee for schools (regulation 27 and Schedule 3). Regulations 28 to 30 make provision for calculation of budgets in relation to specific types of school or specific circumstances.

Chapter 2 of Part 3 deals with early years provision and requires local authorities' formulae to take into account the predicted hours of attendance (with provision for review and redetermination on the basis of information about actual hours of attendance) (regulation 31) and to include one or more social deprivation factors (regulation 32). Regulations 33 and 34 provide for additional amounts to be included in respect of children in specified circumstances (regulation 33) and disabled children (regulation 34). There is a requirement to pass 95% of funding to early years providers (regulation 36) and a 12% limit on the amount of funding that may be attributable to the discretionary (supplementary) part of the early years formulae (regulation 37).

There are also requirements in relation to local authorities' schemes (regulation 42 and Schedule 4).

Part 5 of these Regulations contains minor amendments to S.I. 2009/1554. Paragraphs (1), (2) and 3(c) of regulation 45 make amendments to regulation 2 (interpretation) of, and paragraph 14 of the Schedule to, S.I. 2009/1554, which are consequential to the regulations applying to the 2024-25 financial year in Parts 1 to 4 of, and the Schedules to, these Regulations. Paragraph (3)(a) and (b) of regulation 45 amends the Schedule to S.I. 2009/1554 to simplify the way a "stretched" free entitlements (when a child takes fewer hours a week of free provision over more weeks of the year) is recorded on the Early Years Census and to provide for the phased introduction of the Government's expansion of free early years entitlements to qualifying children aged 9 months to 2 years of working parents from 1st April 2024.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.